

PROPERTY DISPOSITION POLICY

SECTION 1. DEFINITIONS.

“Contracting officer” shall mean the officer or employee of the Ulster County Development Corporation (hereinafter, the “Corporation”) who shall be appointed by resolution to be responsible for the disposition of property.

“Dispose” or “disposal” shall mean transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the New York State Public Authorities Law.

“Property” shall mean personal property in excess of five thousand dollars (\$5,000.00) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES.

A. The Corporation shall:

1. maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;
2. periodically inventory such property to determine which property shall be disposed of;
3. produce a written report of such property in accordance with subsection B herewith; and
4. transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.

B. The Corporation shall publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period. Such report may be made a part of the Corporation’s Annual Report.

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY.

- A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.
- B. Custody and Control. The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation.
- C. Method of Disposition. Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other actions as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, that no disposition of real property, or any interest in real property, shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction, and, provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.
- D. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to closing.
- E. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.
 - 1. Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids.
 - 2. Whenever public advertising for bids is required:
 - (a) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;
 - (b) all bids shall be publicly disclosed at the time and place stated in

the advertisement; and

- (c) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.

F. Disposals and Contracts for Disposal of property may be negotiated or made by public auction without regard to Section E but subject to obtaining such competition as is feasible under the circumstances, if:

1. the personal property involved is of a nature and quantity which, if disposed of under this Section E, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;
2. the fair market value of the property does not exceed fifteen thousand dollars (\$15,000.00);
3. bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
4. the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
5. under the circumstances permitted by Section G;
6. such action is otherwise authorized by law.

G. Disposal of Property for less than Fair Market Value ("FMV").

(1) No assets owned, leased or otherwise in the control of the Authority may be sold, leased, or otherwise alienated for less than its FMV except if:

(a) Transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or

(b) Purpose of transfer is within purpose, mission or statute of the authority; or

(c) Written notification to Governor, Speaker, and Temporary President. Such notification is subject to denial. Denial by Governor is in the form of a certification. Denial by legislature is in the form of a resolution. Denial must be made within 60 days

of receiving notification during January through June. Provided no denial then authority may effectuate transfer. If legislature receives the notification in July through December, then legislature may take 60 days from January 1 of the following year. However, a local may obtain local approval from the chief executive and legislature of the political subdivision in lieu of the notification to the Governor, Speaker and Temporary President provided the local authority's enabling legislation provides for such approval and the property was obtained by the authority from the political subdivision.

(2) If below FMV transfer is proposed, the following information is required to be provided to the authority's board and the public:

- (a) Description of Asset;
 - (b) Appraisal of the FMV of the asset;
 - (c) Description of purpose of transfer, the kind and amount of the benefit to the public resulting from the transfer such as jobs and wages created or preserved;
 - (d) Value received compared to FMV;
 - (e) Names of private parties to the transaction and value received;
 - (f) Names of private parties that have made an offer, the value of offer, and purpose for which the asset would have been used.
- Board must make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

H. An explanatory statement shall be prepared of the circumstances and transmitted to the persons entitled to receive copies of the report required under all applicable law for each disposal by negotiation of:

1. any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000.00);
2. any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000.00), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;
3. any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of \$15,000; or
4. any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

This Policy is subject to modification and amendment at the discretion of the Corporation and shall be filed annually with all local and state agencies as required under all applicable law.

The designated Contracting Officer for the Corporation is the Chair of the Corporation.